

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
EASTERN DIVISION
No. 4:18-cv-188-D**

SEASIDE HCBS, LLC,

Plaintiff,

v.

SHEPHARD LEE SPRUILL, II,

Defendant.

ORDER OF DEFAULT JUDGMENT

This case comes before the Court on the motion [DE-19] by Plaintiff Seaside HCBS, LLC (“Plaintiff”) for default judgment against Defendant Shephard Lee Spruill, II (“Defendant”). For the reasons stated in Plaintiff’s motion and memorandum in support thereof, Plaintiff’s supporting declarations, and the complete record of this civil action, the Court finds good cause exists to grant Plaintiff’s motion for default judgment pursuant to Rule 55(b) of the Federal Rules of Civil Procedure and Local Civil Rule 55.1(b).

The Court further finds that the allegations in Plaintiff’s Verified Complaint are deemed admitted upon Defendant’s default as entered in the Court’s record [DE-18]. As a result of Defendant’s admissions, the Court further finds Defendant breached the representations and warranties in Sections 3.4, 3.11, 3.12, 3.13, 3.16 and 3.17 of the Purchase and Contribution Agreement dated October 18, 2016 entered by and between Plaintiff and Defendant with respect to the purchase and sale of Pride In North Carolina, Inc. (the “Purchase Agreement”). The Court further finds Plaintiff had the right to withhold six hundred thousand dollars (\$600,000.00) as the “segregated” pending claims amount in accordance with Sections 7.6(b) and 7.6(c) of the

Purchase Agreement for Defendant's breaches of his representations and warranties of the Purchase Agreement. Accordingly,

IT IS HEREBY ORDERED, ADJUDGED and DECREED as follows:

1. Plaintiff is **AWARDED** a judgment against Defendant in the amount of six hundred thousand dollars (\$600,000.00) for Defendant's foresaid breaches of the Purchase Agreement.

2. The Court **DECLARES**, pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. §§ 2201, *et seq.*, that:

i. the full amount Plaintiff has "segregated" pursuant to Sections 7.6(b) and 7.6(c) of the Purchase Agreement in the amount of six hundred thousand dollars (\$600,000.00) shall be, and hereby is, released and ordered to be distributed to Plaintiff in satisfaction of the same amount Plaintiff is awarded herein against Defendant for Defendant's breaches of the Purchase Agreement; and

ii. this declaratory judgment constitutes full satisfaction of the requirements in Section 7.6(c) of the Purchase Agreement for a final order and judgment of the Court, including the requirement for an opinion of counsel for Plaintiff of such judgment.

3. This Order shall constitute **FINAL JUDGMENT** and disposes all claims, there is no just reason for delay of the entry of this Final Judgment, and this Final Judgment shall be, and hereby is, directed to be entered as a final order and judgment of this Court as to all claims, from which execution may issue.

4. The parties shall pay their own respective expenses and court costs.

SO ORDERED. This 1 day of April 2019.


JAMES C. DEVER III
United States District Judge